

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

Producers 88 (4-89) — Paid Up  
With 640 Acres Pooling Provision  
3 year + 2 year option lease for one lot

**PAID UP OIL AND GAS LEASE  
(No Surface Use)**

THIS LEASE AGREEMENT is made this 29<sup>th</sup> day of May, 2008, by and between

Whit Lester, herein dealing in his sole and separate property as Lessor (whether one or more), whose address is 3204 Queensbury Way West, Colleyville, TX 76034 and DALE PROPERTY SERVICES L.L.C. 2100 Ross Ave Suite 1870 Dallas, Texas, 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

Lot 6, Block 66 of the Polytechnic Heights Addition, an addition to the City of Fort Worth, Texas, more particularly described by metes and bounds in that certain Plat Map recorded in Volume 63, Page 109 of the Plat Records. Tarrant County, Texas, (2820 Ave I)

in the county of Tarrant, State of TEXAS, containing **.179 gross acres**, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be Twenty-Five (25%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be Twenty-Five (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in at lessor's address above or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. Except as provided for in Paragraph 3. above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties

hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

17. Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of Two (2) from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted for this lease.

**DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.**

**IN WITNESS WHEREOF,** this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

**LESSOR (WHETHER ONE OR MORE)**

Signature: \_\_\_\_\_

Printed Name: Whit Lester

Signature: \_\_\_\_\_

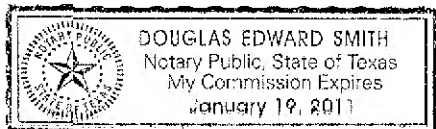
Printed Name: \_\_\_\_\_

**ACKNOWLEDGMENT**

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 29<sup>th</sup> day of May, 2008,

By: Whit Lester.



Doug E. Smith

Notary Public, State of Texas

Notary's name (printed):

Notary's commission expires:

### Addendum

Attached to and made part of that certain Oil and Gas Lease dated May 29<sup>th</sup>, 2008 by and between Whit Lester, herein dealing in his sole and separate property, as Lessor(s), and Dale Property Services, LLC, as Lessee, to wit:

If any of the following provisions conflict with or are inconsistent with any of the printed provisions or terms of this lease, the following provisions shall control.

The following is agreed upon by Lessor and Lessee:

1. This Lease does not grant to Lessee the right or privilege to enter or operate upon the leased premises for any reason, or at any time without prior written consent of lessor(s).
2. Said Lease only grants to the Lessee rights in oil, gas, and other liquefied and gaseous hydrocarbons and those non-hydrocarbon substances produced in association with oil and/or gas. All other minerals in, on, or under the lands are expressly excepted from this Lease and reserved by Lessor.
3. Said paid up Lease amount per acre shall be \$15,000.00.
4. Said primary term shall be for period of Three (3) years.
5. Said Royalties shall be 25%.
6. Said Royalties shall be calculated based on a pooled unit size not to exceed (40) acres for oil and (320) acres for gas.
7. No division order will operate to amend any provision of said Lease.
8. Said shut-in royalty shall be \$50.00 and said payment due period shall be (90) days.
9. The payment of shut-in royalty will at no time extend this lease for a period of longer than two consecutive years or four (4) years in the aggregate.
10. For purposes of this lease, an "Affiliate of Lessee" is any corporation firm or other entity in which Lessee, or any parent company, subsidiary or affiliate of Lessee owns an interest of more than ten Percent (10%), whether by stock ownership or otherwise or over which Lessee or any parent company or Affiliate of Lessee exercises any degree of control, directly or indirectly, by ownership, interlocking directorate, or in any other manner; and any corporation, firm or other entity which owns any interest in Lessee, whether by stock ownership or otherwise, or which exercises any degree of control, directly or indirectly, over Lessee, by stock ownership, interlocking directorate, or in any other manner.
11. All royalties that may become due hereunder shall commence to be paid on the first well completed on the leased premises within one hundred twenty (120) days following the month during which any well is completed and commences production. Thereafter, all royalties on oil shall be paid to Lessor on or before the last day of the month following the month of production and all royalties on gas shall be paid to Lessor on or before the last day of the second month following the month of production. Royalties not paid when due shall bear interest at the maximum rate permitted by law. Interest charges shall commence on the date payment is due and shall continue until payment is made in full.
12. If royalty is not paid by the date due, Lessor may give Lessee written notice of nonpayment of royalty, and if Lessor's royalty is not paid on or before expiration of thirty (30) days from Lessee's receipt of such notice, Lessor may terminate this lease and evict Lessee forthwith. However, if there is a bona fide dispute or a good faith question of royalty entitlement (either as to ownership or as to amount), based on an attorney's written opinion furnished to lessor prior to the expiration of such thirty (30) days. Lessee may pay the disputed portion of Lessor's royalty to a trustee to be selected by both parties, to be retained by such trustee and invested in interest-bearing accounts pending resolution of the entitlement issue, with the interest to belong to the successful party. If the parties do not or cannot agree on a trustee, Lessee may tender the royalty into a court of competent jurisdiction by Bill of Interpleader, to be so held and invested by the clerk under the direction of the court. If the royalty is so paid to such trustee or to the court within the time provided, then Lessor shall not have the right to terminate this lease for nonpayment of royalty.
13. Without limiting Lessor's rights or Lessee's obligations under any other provision of this lease, commencing on the completion date of the first well drilled on the Leased premises as a producing well, no more often than once in any three-year period during the term of this lease Lessor shall have the right to have an audit of the books, accounts, contracts, records and data of Lessee pertaining to the development, production, saving, transportation, sale, and marketing of the oil, gas, and sulphur produced from or attributable to the leased premises conducted. If the exceptions or deficiencies in royalty payments by lessee as revealed by the audit (the "audit exceptions") are, either by agreement of Lessor and Lessee or by a final, non-appealable judgment binding on the parties, determined to be more than the cost and expense of such audit, the Lessee shall reimburse lessor for the cost of such audit within thirty (30) days after the earlier of (i) the date of the agreement of the parties respecting the amount or amounts of the audit exceptions or (ii) the date upon which a judgment binding on the parties and determining the amount or amounts of the audit exceptions becomes final and non-appealable. If the audit exceptions are, either by agreement of lessor and Lessee or by a final, non-appealable judgment binding on the parties, determined to be less than the cost and expense of the audit, such cost and expense shall be borne by Lessor.
14. The term "operations" as used in this lease shall mean only (i) the production of oil, gas or other hydrocarbons in paying quantities and (ii) the actual drilling, testing, completion, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil or gas, conducted in good faith and with due diligence; and drilling operations will not be considered as being conducted unless a rig capable of drilling to the prospective depth is actually in place and rotating under power.

15. Insofar as possible, taking into consideration the productive limits of the producing interval and the configuration of the leased premises, the lands included within the production unit for a well shall be in the form of a square or rectangle. Every effort shall be made in designating production units to avoid releasing small or irregularly shaped portions of the leased premises, or portions not contiguous with other released portions. Acreage assigned to wells producing from different zones may overlap, and shall overlap when necessary to comply with the requirements of this section. If a well is producing from more than one formation, its production unit's size and configuration shall conform to the Railroad Commission rules applicable to the well which provide the largest production unit (subject to the size limitations stated above). If all or a portion of the leased premises is included in a pooled unit, then for purposes of this paragraph all the lands within the pooled unit shall be considered a part of the leased premises, and the size and configuration of the pooled unit must conform to the requirements of this paragraph for a production unit.

16. As to any acreage which is not included within any production unit at the expiration of the primary term Lessee may maintain this lease as to such excluded acreage beyond the primary term only by conducting drilling operations thereon with no cessation of more than one hundred eighty (180) consecutive days; and at such time as such operations cease. Lessee shall designate any additional production units resulting from such operations, and this lease shall automatically terminate and be of no further force or effect as to any acreage not within such designated units.

17. As to acreage which is included within a production unit, this lease may be held in force after the termination of the primary term only by production from, or operations conducted (as provided in this lease) on such unit; and production from, or operations conducted on, one unit will not maintain this lease in force as to any other acreage included within any other unit, but such production or operations will maintain this lease only as to the acreage within the unit or units upon which such production or operations are being maintained or conducted.

18. Lessee shall have the right at any time and from time to time during the term of this lease to release from the lands covered hereby any lands subject to this lease and thereby be relieved of all obligations thereafter accruing as to the acreage so released.

19. Any claim of delay by force majeure will not act to extend this lease in excess of two (2) years.

20. On or before the expiration of the primary term of this Lease, Lessee has the option, but not the obligation, to pay Lessor the same bonus per net mineral acre covered by this Lease. Upon this payment being made, the primary term of the Lease shall be extended for an additional period of two (2) years.

21. At the end of the primary term of this lease or upon the complete development of the leased premises after the end of the primary term, this lease will terminate automatically as to all depths lying more than one hundred (100) feet below the stratigraphic equivalent of the deepest producing formation.

22. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. Assignees of Lessee can be held liable, but original Lessee should not be held responsible once the lease has been assigned. Each assignee of all or any portion of the rights of Lessee hereunder agrees to be bound by the provisions of this lease to the same extent as if such assignee were an original party to this lease. Lessee shall within thirty (30) days of the assignment of this lease or any part thereof notify lessor of such assignment and furnish Lessor a true copy of any assignment with the exception of assignments being made to officers, directors, and/or subsidiaries of Chesapeake Energy. All notices to Lessee hereunder may be given to the Lessee named herein, notwithstanding the assignment of part or all of this lease. No change or division in the ownership of the leased premises, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof to Lessee, its successors or assigns, no change or division in the ownership of the leased premises or of the royalties or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless pay or tender such royalties or other moneys, or part thereof to Lessor.

23. Lessee agrees to defend, indemnify and hold harmless Lessor and Lessor's heirs, successors, representatives, agents and assigns ("Indemnitees"), from and against any and all claims, demands and causes of action for injury (including death) or damage to persons or property arising out of incidental to or resulting from the operations of or for Lessee or Lessee's servants, agents, employees, guests, licensees, invitees or independent contractors, and from and against all costs and expenses incurred by Indemnitees by reason of any such claim or claims, including attorneys' fees; and each assignee of this lease, or an interest agrees to indemnify and hold harmless Indemnitees in the same manner provided above. Such indemnity shall apply to any claim arising out of operations conducted under or pursuant to this lease, howsoever caused. The provisions of this paragraph shall survive the termination of this lease.

24. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respect Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder.

25. All obligations of Lessee other than the payment of money shall be performable in the county or counties in which the leased premises are situated. All obligations of Lessee for the payment of money shall be performable in the county of residence of each Lessor. Venue for any action to enforce Lessee's obligations hereunder shall lie in the county in which the leased premises are situated or in the county of residence of any party hereto.

LESSOR:

By

Whit Lester

LESSEE:

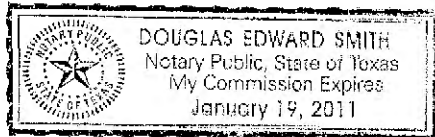
By

Mike Taliaferro, President, Dale Property  
Services, LLC

LESSOR'S ACKNOWLEDGMENT

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 29<sup>th</sup> day of May, 2008, by Whit Lester.

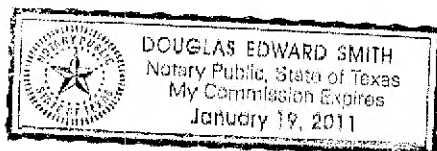


Dale E. Smith  
Notary Public, State of Texas

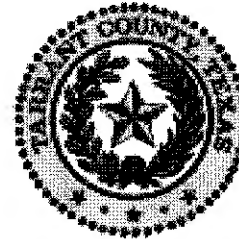
LESSEE'S ACKNOWLEDGMENT

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 29<sup>th</sup> day of May, 2008, by Mike Taliaferro,  
President, Dale Property Services, LLC on behalf of the company.



Dale E. Smith  
Notary Public, State of Texas



DALE RESOURCES LLC  
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

---

SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 06/06/2008 07:08 AM  
Instrument #: D208213581  
LSE 6 PGS \$32.00

By: \_\_\_\_\_



**D208213581**

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE  
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR  
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Printed by: CN